# Northern Trust
# AGGREGATE BOND INDEX FUND - NON LENDING

## As Of September 30, 2012

FIXED INCOME

### Key Facts

| | |
|---|---|
| Inception | 01/30/2009 |
| Fund Size ($M) | 11,054.30 |
| Portfolio Turnover (%) | 43 |
| 08/01/11 | |
| Benchmark | Barclays US Agg TRIX |

### Fees and Expenses

| | |
|---|---|
| Total Admin Expenses (%) | 0.015 |
| Total Annual Operating Expense (%) | 0.015 |
| Per $1000 Investment ($) | 0.150 |

### Portfolio Information

| | Fund | Index |
|---|---|---|
| Number of Securities | 3,937 | 7,998 |
| Average Coupon (%) | 3.63 | 3.82 |
| Nominal Maturity (Yrs) | 6.30 | 6.24 |
| Yield to Worst (%) | 1.23 | 1.23 |
| Modified Duration (Yrs) | 4.36 | 4.34 |
| Yield to Maturity (%) | 1.23 | 1.24 |

### Sector Breakdown (% of fund)

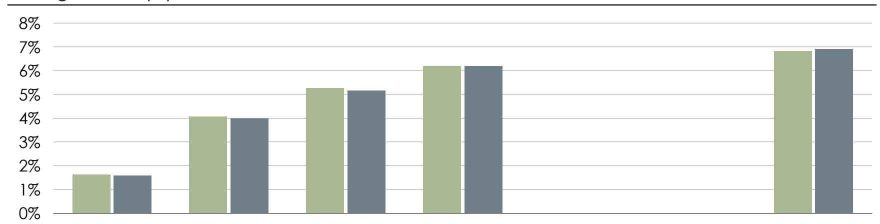
| | Fund | Index |
|---|---|---|
| Treasury | 36.20 | 36.09 |
| Agency | 5.02 | 5.06 |
| Mortgage-Backed | 30.12 | 30.02 |
| Asset-Backed | 0.44 | 0.32 |
| Commercial MBS | 1.88 | 1.89 |
| Foreign Agencies | 1.33 | 1.41 |
| Foreign Local Govt | 0.45 | 0.47 |
| Sovereign | 1.17 | 1.21 |
| Supranational | 1.26 | 1.43 |
| Municipals | 0.96 | 1.00 |
| Financial | 6.28 | 6.83 |
| Industrial | 11.55 | 11.91 |
| Utilities | 2.32 | 2.37 |
| Committed Cash | 1.03 | 0.00 |
| Other | 0.00 | 0.01 |

### INVESTMENT OBJECTIVE

The primary objective of the Northern Trust Aggregate Bond Index Fund is to hold a portfolio representative of the overall United States bond and debt market, as characterized by the Barclays US Capital Aggregate Bond Index.

### Fund Peformance

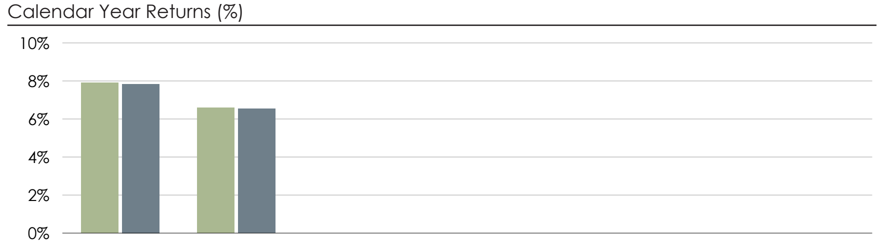
Trailing Returns (%)




| as of 09/30/2012 | 3 Month | Year-to-Date | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception |
|---|---|---|---|---|---|---|---|
| **Fund** | 1.64 | 4.06 | 5.27 | 6.19 | -- | -- | 6.82 |
| **Benchmark** | 1.59 | 3.99 | 5.16 | 6.19 | -- | -- | 6.90 |

All performance periods greater than 1-year are annualized.

Calendar Year Returns (%)




| as of 09/30/2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|---|---|---|---|---|---|---|
| **Fund** | 7.91 | 6.59 | -- | -- | -- | -- | -- |
| **Benchmark** | 7.84 | 6.54 | -- | -- | -- | -- | -- |

Performance data quoted represents past performance and past performance is not a guarantee of future results. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fund performance changes over time and current performance may be lower or higher than what is stated.

### INVESTOR STRATEGY

The fund invests in investment-grade securities covering the Treasury, Agency, Mortgage-backed, Asset-backed, Commercial mortgage-backed, and Credit sectors of the U.S. Bond Market. The Fund may make limited use of interest rate futures and/or options for the purpose of maintaining market exposure, and may participate in securities lending.

### INVESTMENT MANAGER

Northern Trust is a global multi-asset class investment manager serving clients worldwide. Through the combined resources of the Northern Trust Company, Northern Trust Investments, Inc., Northern Trust Global Investments Limited, the Northern Trust Company of Connecticut, and its subsidiaries, a broad range of investment products and services are offered to personal and institutional markets around the globe.

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## Credit Quality (% of fund)

| | Fund | Index |
|---|---|---|
| Government | 71.35 | 71.18 |
| AAA | 3.86 | 3.83 |
| AA | 3.29 | 3.39 |
| A | 10.99 | 11.15 |
| BBB | 9.49 | 10.45 |
| BB | 0.00 | 0.00 |
| Not Rated | 1.03 | 0.01 |

## Maturity Breakdown (% of fund)

| | Fund | Index |
|---|---|---|
| 0-1 Year | 1.05 | 0.04 |
| 1-2 Years | 19.39 | 20.51 |
| 2-3 Years | 27.13 | 28.27 |
| 3-5 Years | 21.44 | 19.64 |
| 5-7 Years | 8.69 | 9.07 |
| 7-10 Years | 9.27 | 9.44 |
| 10-20 Years | 3.09 | 3.35 |
| 20-30 Years | 9.61 | 9.26 |
| 30+ Years | 0.33 | 0.42 |

## 3-Year Risk Statistics

| | | |
|---|---|---|
| Annualized Standard Deviation | 2.73 | Standard deviation is a measure of risk. In this case risk is represented by the fund's price movements up or down over time. |
| Information Ratio* | 0.03 | Information ratio is a risk-adjusted measure of fund performance relative to benchmark performance. The information ratio is given by the ratio of the investment manager's active return to the active risk. |

*Measured against the Fund's benchmark

### *For More Information*

Please contact Northern Trust at 877-651-9156.

Past performance is not necessarily an indication of how the investment will perform in the future. Fees and expenses are one of several factors that participants and beneficiaries should consider when making investment decisions. The cumulative effect of fees and expenses can substantially reduce the growth of a retirement account and beneficiaries can visit the Employee Benefit Security Administration's website for an example demonstrating the long term effect of fees and expenses.

The information provided in the Investment Profile and this disclosure statement should not be considered a recommendation to purchase or sell a particular security. The fund is a collective investment fund and is privately offered. Prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your service representative. **Please note that the information provided in the Investment Profile and this disclosure statement may not meet all of the disclosure requirements for an ERISA "section 404(c) plan", as described in the Department of Labor regulations under section 404(c). In addition, the information disclosed in the Investment Profile and this disclosure statement may not meet the requirements of Department of Labor Rule 404a-5 of ERISA ("Rule 404a-5"). Plan Sponsors intending to comply with such regulations will need to provide Plan participants with additional information.** The information provided herein does not constitute individual investment advice for a Plan participant or investor, is only informational in nature and should not be used by a Plan participant or investor as a primary basis for making an investment decision.

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| NOT FDIC INSURED | May lose value/No bank guarantee |
|---|---|

## Additional Disclosure Information

**Investment Risks** - The following Risks are for Passive Fixed Income Investments, not all risks may be applicable to all Passive Fixed Income funds.

**Credit and Counterparty Risk:** The issuer or guarantor of a fixed-income security, counterparty to an OTC derivatives contract or other borrower may not be able to make timely principal, interest or settlement payments on an obligation. In this event, the issuer of a fixed-income security may have their credit rating downgraded or default, which may reduce the potential for income and value of the portfolio.

**Derivatives Risk:** Investments in derivatives may be subject to the risk that the advisor does not correctly predict the movement of the underlying security, interest rate, market index or other financial asset. Since derivatives usually involve a small investment relative to the magnitude of liquidity and other risks assumed, the resulting gain or loss from the transaction will be disproportionately magnified. These investments may result in a loss if the counterparty to the transaction does not perform as promised.

**Dollar Rolls Risk:** Dollar rolls transactions may be subject to the risk that the market value of securities sold to the counterparty declines below the repurchase price, the counterparty defaults on its obligations or the portfolio turnover rate increases due to these transactions. In addition, any investments purchased with the proceeds of a security sold in a dollar rolls transaction may lose value.

**Extension Risk:** The issuer of a security may repay principal more slowly than expected due to rising interest rates. In this event, short and medium-duration securities are effectively converted into longer-duration securities, increasing their sensitivity to interest rate changes and causing their prices to decline.

**Bond Risk:** Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of rising interest rates.

**Fixed Income Securities Risk:** The value of assets invested in fixed-income or debt securities may be susceptible to general movements in the bond market and are subject to increased interest rate and credit risk.

**Futures Contracts and Options on Future Contracts Risk:** Futures contracts and options on futures contracts may increase volatility and be subject to additional market, active management, interest, currency and other risks if the contract cannot be closed when desired.

**Income (also called variable dividend) Risk:** Income payments may decline depending on fluctuations in interest rates and the dividend payments of its underlying securities. In this event, some investments may attempt to pay the same dividend amount by returning capital.

**Index Fund Risk:** The performance of the Fund is expected to be lower than that of the Index because of Fund fees and expenses. It is important to remember that there are risks associated with index investing, including the potential risk of market decline, as well as the risks associated with investing in specific companies.

**Inflation/Deflation Risk:** Unlike other fixed-income securities, the values of inflation-protected securities are not materially affected by inflation expectations because their interest rates are adjusted for inflation. Generally, the value of inflation-protected securities will fall when real interest rates rise and rise when real interest rates fall.

**Interest Rate Risk:** Increases in prevailing interest rates will cause fixed income securities, including convertible securities, held by the Fund to decline in value.

**Issuer Risk:** A stake in any individual security is subject to the risk that the issuer of that security performs poorly, resulting in a decline in the security's value. Issuer-related declines may be caused by poor management decisions, competitive pressures, technological breakthroughs, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures or other factors. Additionally, certain issuers may be more sensitive to adverse issuer, political, regulator, market or economic developments.

**Lending Risk:** Investing in loans creates risk for the borrower, lender and any other participants. A borrower may fail to make payments of principal, interests and other amounts in connection with loans of cash or securities or fail to return a borrowed security in a timely manner, which may lead to impairment of the collateral provided by the borrower. Investments in loan participations may be subject to increased credit, pricing and liquidity risks, with these risks intensified for below-investment grade loans.

**Long-term outlook and Projection Risk:** Investors should be willing to hold their investment for a substantial period of time and tolerate fluctuations in their investment's value.

**Loss of Money Risk:** Since the investment's market value may fluctuate up and down, an investor may lose money when he or she buys or sells the investment, including part of the principal.

**Market Volatility Risk:** The market value of the portfolio's securities may fall rapidly or unpredictably due to changing economic, political or market conditions, which may reduce the value of the portfolio.

**Maturity/Duration Risk:** Assets invested in securities with longer maturities or durations typically have higher yields but may be subject to increased interest risk and price volatility compared to securities with shorter maturities, which have lower yields but greater price stability.

**Mortgage-Backed Securities Risk(if fund holds >20% net assets in mortgage-backed securities):** Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because of the sensitivity of mortgage-related securities to changes in interest rates, the Fund's performance may be more volatile than if it did not hold these securities.

Preypament Call Risk: The issuer of a debt security may be able to repay principal prior to the security's maturity, due to an improvement in their credit quality or falling interest rates. In this event, this principal may have to be reinvested in securities with lower interest rates than the original securities, reducing the potential for income.

**Regional Investment Risk:** The geographical concentration of portfolio holdings in this Fund may involve increased risk.

**Reinvestment Risk:** Payments from debt securities may have to be reinvested in securities with lower interest rates than the original securities.

**Regulation Risk:** The issuer or market value of a security may be impacted adversely by new or changing regulations as they are adopted by governments or other regulatory bodies.

**Suitability Risk:** Investors are expected to select investments whose investment strategies are consistent with their financial goals and risk tolerance.

**Tax-Free/AMT Risk:** Tax-exempt funds' income may be subject to certain state and local taxes and, depending on your tax status, the federal alternative minimum tax.

**U.S. Government Guarantee:** U.S. Government guarantees apply only to the underlying securities of a Fund's portfolio and not the Fund's shares.

**Comparative Benchmarks Definitions** - The following Benchmarks are for all Passive Fixed Income funds.

**Barclays Capital Intermediate U.S. Government/Credit Index** is an unmanaged index of prices of U.S. government and corporate bonds with remaining maturities of one to 10 years.

**Barclays Capital U.S. Aggregate Bond Index** is an unmanaged index of prices of U.S. dollar-denominated investment grade fixed income securities with remaining maturities of one year and longer.

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## Additional Disclosure Information

**Barclays Capital U.S. Corporate High Yield 2% Issuer Cap Index** is an unmanaged index of the 2% Issuer Cap component of the Barclays Capital High Yield Corporate Bond Index, which is a market value-weighted index of fixed rate, non-investment grade debt.

**Barclays Capital U.S. Treasury Index** is an unmanaged index of prices of U.S. Treasury bonds with maturities of one to 30 years.

**Barclays Capital U.S. Securitized Index** The U.S. Securitized Index is the largest component of the U.S. Aggregate Index and consists of the U.S. MBS Index, the ERISA-Eligible CMBS Index, and the fixed-rate ABS Index. As of April 1, 2007, the U.S. MBS Index will include both fixed-rate agency passthroughs and agency hybrid ARM securities.

**Barclays Capital Asset Backed Securities Index** The U.S. Fixed-Rate Asset-Backed Securities (ABS) Index covers fixed-rate ABS with the following collateral types: credit cards, autos, and stranded-cost utility (rate reduction bonds). To be included in the index, an issue must have a fixed-rate coupon structure, have an average life greater than or equal to one year, and be part of a public offering.

**Barclays Capital Commercial MBS Index** The Commercial Mortgage-Backed (CMBS) Index was introduced on January 1, 1999, and a portion of this index was added to the U.S. Aggregate Index on July 1, 1999. The CMBS Index has several components (investment grade, high yield, interest-only), but only ERISA-eligible securities with an original deal size of $500 million, current deal size of $300 million, and tranche size greater than $25 million from the investment-grade index contribute to the U.S. Aggregate Index.

**Barclays Capital Credit Bond Index** The U.S. Credit Index comprises the U.S. Corporate Index and the U.S. Non-Corporate Credit Index (the non-native currency subcomponent of the U.S. Government-Related Index). The U.S. Credit Index was called the U.S. Corporate Index until July 2000, when the index was renamed to reflect the index's composition of both corporates and noncorporates. The U.S. Credit Index remains the universe of U.S. corporates, non-native currency agencies, non-native currency local authorities, sovereigns, supranationals and taxable municipals.

**Barclays Capital Long Credit Bond Index** The U.S. Long Credit Index is comprised of bonds with remaining maturity of greater than 10 years from the U.S. Corporate Index and the non-native currency subcomponent of the U.S. Government-Related Index. The U.S. Long Credit Index includes publicly issued U.S. corporates and non-corporates (non-US agencies, sovereigns, supranationals, and local authorities) denominated in USD.

**Barclays Capital Long Gov/Credit Index** The U.S. Long Government/Credit Index is the non-securitized component of the U.S. Aggregate Index comprised of bonds with remaining maturities greater than 10 years. The U.S. Long Government/Credit Index includes Treasuries, Government-Related issues (i.e., agency, sovereign, supranational, and local authority debt), and USD Corporates.

**Barclays Capital Long Government Bond Index** The U.S. Long Government Index is comprised of the U.S. Long Treasury and U.S. Long Agency Indices. The U.S. Long Government Index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than 10 years) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government) that have remaining maturities of more than 10 years.

**Barclays Capital Mortgage Backed Securities Index** The U.S. Mortgage Backed Securities (MBS) Index covers agency mortgage-backed passthrough securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Barclays Capital Intermediate (1-10yr) Credit Bond Index** The U.S. Intermediate Credit Index is comprised of bonds with more than 10 years remaining maturity from the U.S. Corporate Index and the non-native currency subcomponent of the U.S. Government-Related Index. The U.S. Intermediate Credit Index includes publicly issued U.S. corporates and non-corporates (non-US agencies, sovereigns, supranationals, and local authorities) denominated in USD.

**Barclays Capital Government Bond Index** The U.S. Government Index comprises the U.S. Treasury and U.S. Agency Indices. TheU.S. Government Index includes Treasuries (public obligations of the U.S. Treasury) andU.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government) that have remaining maturities of more than one year. The U.S. Government Index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

**Barclays Capital Government/Credit Bond Index** Created in 1979, the U.S. Government/Credit Index is the oldest macro index published by Lehman Brothers. It is the combination of the U.S. Treasury, U.S. Government- Related, and U.S. Corporates Indices and is equivalent to the union of the U.S. Government and U.S. Credit Indices. Prior to 2000, the index was named the U.S. Government/Corporate Index.

**Barclays Capital Short-term Government Bond Index** The U.S. Short-Term Government Index is comprised of bonds with less than one year to maturity that were previously eligible for the U.S. Treasury and U.S. Agency Indices that have a minimum one year to maturity. The U.S. Short-Term Government Index includes Treasuries, U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government).

**Barclays Capital US 1-5yr Credit Bond Index** The U.S. 1-5 Years Credit Index is comprised of bonds with one to five years of remaining maturity from the U.S. Corporate Index and the non-native currency subcomponent of the U.S. Government-Related Index. The U.S. 1-5 Years Credit Index includes publicly issued U.S. corporates and non-corporates (non-US agencies, sovereigns, supranationals, and local authorities) denominated in USD.

**CG WGBI xUS Index** The World Government Bond Index (WGBI) measures the performance of fixed-rate local currency investment grade sovereign bonds excluding US Government. This widely adopted benchmark is currently comprised of sovereign debt from 22 countries denominated in 14 currencies. The index was created in 1986 and offers more than 25 years of index history.